

Why Conduct a Revaluation?

There is a growing awareness that the local property taxes have become a significant part of the expenses in owning property. Keeping this in mind, the State of Connecticut, under provisions of Section 12-62 of the General Statutes, requires a revaluation of all real estate for the year 2005. Thereafter values must be updated every five years.

Revaluations are required to insure property owners of uniformity in property valuations. A revaluation program includes using a complete description and inventory of all property and setting new assessed values on a current basis, for use by the Assessor.

Because regular assessment work must be carried on along with the revaluation program, Assessors find it necessary to seek the assistance of a private appraisal company in conducting a complete revaluation. Under the Assessor's supervision, the company inventories all property, prepares records, and supplies the Assessor with the necessary information on which assessments are based.

A successful program requires a significant amount of time spent on careful research to assure that the new values are accurate and that all property owners will pay ONLY their FAIR SHARE of the property tax burden.

What is Meant By “Revaluation”?

The revaluation program involves the appraisal of all real estate in town in order to bring about uniformity in property valuations and to assure all property owners are paying only their fair share of the cost of community services. Revaluation is NOT intended to raise revenues; its purpose is to value all properties by the same standards at the same point in time.

Why is Revaluation Needed?

It has been five years since the last revaluation of all real estate in East Hampton. Meanwhile, constantly changing economic conditions have caused inequities to develop. The solution to this problem is to reappraise all real estate - - bringing assessment records up to date with present day values.

What Kind Of Inequities Exist Now?

Inequities which exist are the normal “Hills and Valleys” in valuation which occur in any community over a period of time. Neighborhoods change, and the economic climate changes, meaning that some properties have become over valued or undervalued when compared to comparable market properties. The revaluation returns properties to current market values and to the fair-share basis.

What is Fair Market Value?

A legal standard defined by the courts as the price established between a willing buyer and a willing seller, taking into consideration all the uses to which the property is adapted.

Who Determines The Value Of My Property?

People do. You, and the person who sold it to you, and the person who is willing to buy it from you. People make the market. It is the revaluation appraiser's job to research and discover values in a particular area, not merely to guess what they might be.

A single property sale transaction, however, would not be the sole determination of your property value. All sales in a given area are used as guidelines, and the appraiser takes into account many other factors to come up with the fair market value. In effect, the appraiser does the same thing you would do as a prospective buyer, by examining all the features of a property before applying values.

A few of the factors the appraiser considers are local market conditions, size and quality of construction, age of building, improvements to or deterioration of neighborhood, utilities, transportation, zoning, and so on.

Isn't Fair Market Value What I Paid For My Property?

Not always. Some people will pay more than fair market value for their property. Others may have bought their property at a bargain price, and others may have purchased the property years ago when prices and values were considerably different. The true test is what your property is worth now in comparison to other comparable properties.

Can My Share Of The Tax Burden Go Down?

Yes. If market values in your area have not risen as much as in other areas, or if your property is currently overvalued when compared with comparable properties, your share of the tax burden would be reduced as a result of revaluation.

When and How Will I Receive My New Assessment?

Reassessment notices defined as a 70% ratio of Fair Market Value will be mailed during the month of November 2005, as soon as new assessment information becomes available.

When Will The New Assessment Be Effective?

The new assessments will be effective for the October 1, 2005 Grand List, reflected in tax bills mailed on or before June 30, 2006 for the fiscal year of 2006-2007.

If My Reassessment Notice Doesn't Tell How Much Tax I Will Have To Pay, or How High Taxes Might Go, What Good Is It?

The primary purpose of the revaluation notice is to show the fair market value so you can have the opportunity to review and insure that no errors have been made. Questions of value can be reviewed, explained, and justified. Adjustments, corrections, and concerns will be noted.

How Are Tax Rates Established?

Except where otherwise determined by law, tax rates are established by dividing the budget to be raised by local taxes by the total taxable assessments in the community.

If Assessment Values Change, What Will Happen To My Taxes?

In bringing property values up to date, there is a substantial change in the total assessments of the community. Using the new total taxable Grand List of Assessments, the local taxing authority (the Town Council) will calculate the tax rate needed to support the town budget. Your tax will be determined by multiplying your new assessment by the new tax rate.

Why Can't Someone Tell Me What The New Rate Will Be and What My Taxes Will Be?

Until a total Grand List, including all new values, is completed AND a new budget is adopted, no one can say what your tax rate or tax bill will be. When the notices are mailed, totals that can be used for assessment purposes are not yet available.

What Usually Happens To Tax Bills After A Revaluation?

While it is impossible to foresee the exact results, experience in other towns, which have recently been through a revaluation, are worthwhile. Where Real Estate values have increased more in value than other properties in town, the share of taxes has been higher. On the other hand, if a property did not increase in value as much as other properties the share of tax will be lower. The mix of residential, commercial, industrial and personal property directly influence the equalization process. For example, communities that have proportionally high percentages of personal property have traditionally shown higher levels of revaluation impact. (Personal property is reassessed every year with real property assessed every ten years). It is very difficult to forecast

exact results. You must remember, the increased cost of services affects everyone, yet is separate from change due to revaluation.

What if I Only Own A Motor Vehicle?

After a revaluation, your motor vehicle tax bill will change because the mill rate will change. Motor Vehicles are assessed each year at 70% of their present value and normally their values go down each year. The overall increase or decrease in the entire Grand List will determine the tax rate. If the tax rate goes down, so will your motor vehicle tax bill. The reverse is true if the tax rate goes up.

What Will Happen To My Assessment If All I Own Is Vacant Land?

Vacant land sales have increased (since last revalued in 2000). It is the responsibility of the revaluation company to determine the fair market value of each site without regard to its use, but based upon current conditions and current economic factors.

Who Sets My Assessment and What Can I Do If I Think It Is Wrong?

The Assessor, with the assistance of the revaluation company appraisers who visit each neighborhood and each property, arrives at the appraised value. If you believe your appraisal is in excess of fair market value, the first step is to contact the Revaluation Company for an informal hearing after following the instructions included with the revaluation notice. This is the proper time and place to correct any clerical errors and miscalculations. A member of the revaluation company staff, monitored by the Assessor, will review your property record card with you and an adjustment will be made if you show that an error has been made in describing your property which significantly affects its value. If there is a significant difference between the data on your property record card and the state of your property, the revaluation personnel will schedule another inspection and review your property. In some cases, where the person appealing presents factual evidence, an adjustment can be made without additional inspection and review.

What If The Appraisal Staff Doesn't Agree With Me On My Property Value?

You could show evidence supporting what you feel is fair market value, such as comparisons with comparable properties in your area (but not the selling price of one isolated example). Although only a small percentage of property owners go through the appeal stages, you are encouraged to schedule an informal hearing, and then if necessary, a formal hearing to insure that your value **is fair** and accurate.

If I Still Disagree With The Assessment, Can This Be Settled Without Going To Court?

Yes. There are three steps available to all property owners, including the right to appeal in court. In the first two steps, there is an opportunity to resolve your appraisal disagreement without hiring professional assistance. The three steps are:

Initially, an informal hearing. Described above, and held with the revaluation company.

Followed by a formal hearing before the Board of Assessment Appeals. At this Board meeting, legal counsel is not required. Any evidence you may have that may affect your assessment should be presented. The meeting dates of the Board will be announced after the informal hearings are completed.

Should a disagreement remain as to the appraised value, an appeal to the courts under section 12.-118 of the Connecticut State Statutes is the next and last step. The final step in the appeals process requires that the first two steps be taken.

Do I Still Have To Pay My Taxes If I Appeal Under Section 12-118?

Yes, definitely. Section 12.-118 requires payment of at least 75% of taxes due, or 90% if the assessment exceeds \$500,000, even if appealed. Otherwise, interest is added to unpaid taxes due. Any judgment in your favor requires a refund for taxes paid in excess of any reduced assessment.

Is There Any Disadvantage To Me If I Appeal?

No. In fact, the Assessor's Office encourages you to review your valuations and appeal IF you sincerely question your assessment. The Assessor's Office, and the revaluation company, under the direction of the Assessor, will see that each taxpayer is satisfied within the limits set by State Statute, and at the same time assure that assessments are on a fair share basis. In the great majority of cases, when the Assessor or the revaluation staff finds that the taxpayer is right, an adjustment is made immediately. The Assessor would like to satisfy each property owner, but he/she has a duty to all taxpayers in town to be fair and equitable and work within the guidelines of the Connecticut State Statutes.

What About The Elderly Who May Be On Restrictive Incomes Or Situations Where Special Exemptions Might Occur?

The law requires that the Assessor appraise taxable property and not the people who own it. As sympathetic as the Assessor may be, State law does not permit the Assessor to take matters of hardship into consideration. Under State law, all property is appraised at current fair market value and assessed at 70% of that value. There are, however, two Connecticut State Statutes (12-129b & 12-170a) which provide tax relief for qualifying persons over the age of 65. Other statutes provide exemptions for those who are veterans, disabled, or blind. If you now have an exemption, it will be automatically deducted at tax billing time. In addition, "Use Value" assessments shall be applied at billing time provided Connecticut Statutes 12-107c (farm land), and/or 12-107d (forest land) requirements have been met.

**Questions
And
Answers
Regarding
Property
Revaluation
Effective October 1, 2005**

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OF
EAST HAMPTON**

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